

Hope Villages of America, Inc.

Financial Statements

December 31, 2024 and 2023



HOPE VILLAGES OF AMERICA, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hope Villages of America, Inc.
Clearwater, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hope Villages of America, Inc. (a Nonprofit Organization), which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities, cash flows, and the statement of functional expenses for the years then ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope Villages of America, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hope Villages of America, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope Villages of America, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hope Villages of America, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope Villages of America, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025 on our consideration of Hope Villages of America, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hope Villages of America, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hope Villages of America, Inc.'s internal control over financial reporting and compliance.

PDR CPAs + Advisors

Oldsmar, Florida

June 23, 2025

HOPE VILLAGES OF AMERICA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	ASSETS	2024	2023
Current Assets			
Cash and cash equivalents	\$ 352,497	\$ 311,737	
Grants receivable	390,975	150,962	
Unconditional promises to give - current	-	10,000	
Prepaid expenses	<u>64,148</u>	<u>44,123</u>	
Total current assets	807,620	516,822	
Property and equipment, net	3,900,877	4,022,788	
Other Assets			
Externally controlled endowment	421,496	399,760	
Beneficial interest in assets held by a third-party	340,947	314,789	
Investments	279,686	309,047	
Other assets	<u>-</u>	<u>10,257</u>	
Total Assets	<u>\$ 5,750,626</u>	<u>\$ 5,573,463</u>	
LIABILITIES AND NET ASSETS			
Current Liabilities			
Current portion of line-of-credit	\$ 492,977	\$ -	
Accounts payable	43,125	96,427	
Accrued personnel costs	136,213	101,129	
Current portion of long-term note payable	-	2,196	
Short-term note payable	-	482,319	
Deferred revenue	22,382	28,447	
Other liabilities	<u>7,181</u>	<u>102,978</u>	
Total current liabilities	701,878	813,496	
Notes Payable, Net	-	82,297	
Total Liabilities	701,878	895,793	
Net Assets			
Without donor restrictions	4,056,768	3,768,671	
With donor restrictions	<u>991,980</u>	<u>908,999</u>	
Total net assets	<u>5,048,748</u>	<u>4,677,670</u>	
Total Liabilities and Net Assets	<u>\$ 5,750,626</u>	<u>\$ 5,573,463</u>	

See accompanying notes to financial statements

HOPE VILLAGES OF AMERICA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
Public Support and Revenue				
Contributions	\$ 1,339,823	\$ -	\$ 1,339,823	\$ 798,107
Federal grants	1,055,313	-	1,055,313	1,137,326
State and local grants	1,421,257	-	1,421,257	469,178
Foundation and corporate grants	236,866	30,000	266,866	302,805
Non-financial contributed assets				
Donated food - Feeding Tampa Bay	5,924,229	-	5,924,229	4,878,849
Donated food - other	4,276,564	-	4,276,564	4,548,209
Program fees	332,842	-	332,842	372,121
Change in beneficial interest in assets held by a third-party	-	26,158	26,158	37,060
Change in value of externally controlled endowments	-	21,736	21,736	29,227
Investment income, net	13,546	17,848	31,394	30,422
Other	115,481	-	115,481	2,539
Net assets released from restrictions	<u>12,761</u>	<u>(12,761)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	14,728,682	82,981	14,811,663	12,605,843
Expenses				
Program services:				
Food distribution and basic needs	11,026,143	-	11,026,143	10,194,533
Abuse services	1,702,092	-	1,702,092	471,803
Housing stability services	<u>511,372</u>	<u>-</u>	<u>511,372</u>	<u>1,359,772</u>
Total program services	13,239,607	-	13,239,607	12,026,108
Supporting services:				
General and administrative	795,828	-	795,828	1,031,974
Fundraising	<u>351,587</u>	<u>-</u>	<u>351,587</u>	<u>207,697</u>
Total supporting services	1,147,415	-	1,147,415	1,239,671
Total Expenses	14,387,022	-	14,387,022	13,265,779
Change in Net Assets Before Other Changes	341,660	82,981	424,641	(659,936)
Other Changes - (Expense) Revenue				
Interest expense	<u>(53,563)</u>	<u>-</u>	<u>(53,563)</u>	<u>(36,564)</u>
Total other changes	(53,563)	-	(53,563)	(36,564)
Change in Net Assets	288,097	82,981	371,078	(696,500)
Net Assets at Beginning of Year	3,768,671	908,999	4,677,670	5,374,170
Net Assets at End of Year	\$ 4,056,768	\$ 991,980	\$ 5,048,748	\$ 4,677,670

See accompanying notes to financial statements

HOPE VILLAGES OF AMERICA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Contributions	\$ 765,921	\$ 32,186	\$ 798,107
Federal grants	1,137,326	-	1,137,326
State and local grants	469,178	-	469,178
Foundation and corporate grants	302,805	-	302,805
Non-financial contributed assets			
Donated food - Feeding Tampa Bay	4,878,849	-	4,878,849
Donated food - other	4,548,209	-	4,548,209
Program fees	372,121	-	372,121
Change in beneficial interest			
in assets held by a third-party	-	37,060	37,060
Change in value of			
externally controlled endowments	-	29,227	29,227
Investment income, net	20,235	10,187	30,422
Other	2,539	-	2,539
Net assets released from restrictions	243,410	(243,410)	-
Total public support and revenue	12,740,593	(134,750)	12,605,843
Expenses			
Program services:			
Food distribution and basic needs	10,194,533	-	10,194,533
Housing stability services	471,803	-	471,803
Abuse services	1,359,772	-	1,359,772
Total program services	12,026,108	-	12,026,108
Supporting services:			
General and administrative	1,031,974	-	1,031,974
Fundraising	207,697	-	207,697
Total supporting services	1,239,671	-	1,239,671
Total Expenses	13,265,779	-	13,265,779
Change in Net Assets Before Other Changes	(525,186)	(134,750)	(659,936)
Other Changes			
Interest expense	(36,564)	-	(36,564)
Total other changes	(36,564)	-	(36,564)
Change in Net Assets	(561,750)	(134,750)	(696,500)
Net Assets at Beginning of Year	4,330,421	1,043,749	5,374,170
Net Assets at End of Year	\$ 3,768,671	\$ 908,999	\$ 4,677,670

See accompanying notes to financial statements

HOPE VILLAGES OF AMERICA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	\$ 371,078	\$ (696,500)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	313,277	277,421
Realized and unrealized gain on investments, net of fees	(28,822)	(15,679)
Appreciation in beneficial interest in assets held by a third-party, net of fees	(26,158)	(37,060)
Appreciation in externally controlled endowment	(21,736)	(29,227)
(Increase) decrease in:		
Grants receivable	(240,013)	80,182
Unconditional promises to give, net	10,000	10,000
Prepaid expenses	(20,025)	(15,658)
Other assets	10,257	(10,257)
(Decrease) increase in:		
Accounts payable	(53,302)	44,518
Accrued personnel costs	35,084	100,766
Other accrued expenses	(6,065)	25,647
Other liabilities	<u>(95,797)</u>	<u>102,978</u>
Net cash provided by (used in) operating activities	247,778	(162,869)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(191,366)	(253,157)
Purchases of investments	(102,881)	(58,231)
Proceeds from sale of investments	<u>161,064</u>	<u>114,362</u>
Net cash used in investing activities	(133,183)	(197,026)
Cash Flows from Financing Activities:		
Net borrowings on line-of-credit	492,977	-
Payments on notes payable	(566,812)	(112,720)
Proceeds from short-term note payable	<u>-</u>	<u>412,319</u>
Net cash (used in) provided by financing activities	(73,835)	299,599
Net Increase (Decrease) in Cash and Cash Equivalents	40,760	(60,296)
Cash and Cash Equivalents at Beginning of Year	311,737	372,033
Cash and Cash Equivalents at End of Year	<u>\$ 352,497</u>	<u>\$ 311,737</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 53,563</u>	<u>\$ 36,564</u>

See accompanying notes to financial statements

HOPE VILLAGES OF AMERICA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Program Services				Supporting Services			Total Expenses	
	Food Distribution and Basic Needs	Housing Stability Services	Abuse Services	Total Program Services	Administrative and General		Total Supporting Services	2024	2023
					General	Fundraising			
Regular earnings	\$ 296,583	\$ 69,392	\$ 1,001,353	\$ 1,367,328	\$ 385,363	\$ 198,036	\$ 583,399	\$ 1,950,727	\$ 1,932,754
Labor costs	22,336	5,009	73,877	101,222	30,954	14,092	45,046	146,268	143,764
Employee insurance benefits	32,863	11,008	106,042	149,913	25,559	20,397	45,956	195,869	182,524
PEO human resources support systems	2,033	419	7,197	9,649	1,829	735	2,564	12,213	12,745
Retirement	-	-	-	-	-	-	-	-	5,958
Total salaries and related expenses	353,815	85,828	1,188,469	1,628,112	443,705	233,260	676,965	2,305,077	2,277,745
Advertising	252	349	9,323	9,924	29,325	2,529	31,854	41,778	3,685
Bank fees	185	-	-	185	12,130	5,203	17,333	17,518	14,460
Insurance	39,252	62,846	38,334	140,432	3,312	-	3,312	143,744	132,158
Contract services	325	1,383	5,813	7,521	136,125	36,902	173,027	180,548	360,075
Depreciation	94,139	119,899	81,835	295,873	17,404	-	17,404	313,277	277,421
In-kind food	10,200,793	-	-	10,200,793	-	-	-	10,200,793	9,427,058
Food - other	148,501	-	19,286	167,787	-	20,200	20,200	187,987	25,260
Legal and professional	6,309	4,879	29,674	40,862	71,270	17,792	89,062	129,924	2,780
Miscellaneous	5,559	4,342	9,037	18,938	14,175	21,806	35,981	54,919	36,410
Public awareness	10	-	-	10	206	18	224	234	35,937
Conference	-	-	800	800	-	-	-	800	-
Meetings and conferences	96	-	-	96	6,938	199	7,137	7,233	918
Non-capital equipment	-	-	35,195	35,195	-	-	-	35,195	5,651
Rent and lease expense	23,667	2,248	4,514	30,429	11,450	2,623	14,073	44,502	35,911
Postage and printing	958	486	3,350	4,794	2,323	2,343	4,666	9,460	7,708
Repairs and maintenance	77,493	67,784	61,158	206,435	14,691	-	14,691	221,126	194,441
Program participant expenses	5,395	45,716	72,315	123,426	-	-	-	123,426	75,729
Supplies	2,605	1,193	32,973	36,771	17,365	8,087	25,452	62,223	28,938
Travel	7	-	12,290	12,297	184	3	187	12,484	10,619
Utilities	66,782	114,419	97,726	278,927	15,225	622	15,847	294,774	312,875
	\$ 11,026,143	\$ 511,372	\$ 1,702,092	\$ 13,239,607	\$ 795,828	\$ 351,587	\$ 1,147,415	\$ 14,387,022	\$ 13,265,779

See accompanying notes to financial statements

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE A - NATURE OF ORGANIZATION

Hope Villages of America, Inc. (HVA) (a Nonprofit Organization) is a Florida nonprofit corporation. HVA, formally known as Religious Community Services, Inc. (RCS) was founded in 1967 by 15 congregations for the purpose of assisting cooperating local congregations in developing and/or supporting interfaith community service programs to meet human needs. Today the mission of HVA is to provide hope restoration with dignity to individuals in need through innovative programs and services.

HVA's major programs consist of the following:

- The Food Distribution and Basic Needs Division provides food to individuals and families.
- The Abuse Services Division includes a state-certified comprehensive domestic violence center offering emergency shelter for survivors of domestic violence and their children and an Outreach Center. Services include community education, violence prevention initiatives, advocacy, and an array of supportive services for survivors of domestic violence and their children.
- The Housing Stability Services Division includes affordable housing for low-income families, as well as case management, resources, utility and rent assistance, and more.

HVA programs are sustained by a variety of funding sources. Funding is contributed by federal and state entities, individual donors, private foundations, and corporate sources. Significant sources of funding include support of the U.S. Federal Government and the State of Florida. Local municipalities, the Juvenile Welfare Board, United Way Suncoast, and local congregations.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of HVA have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- *Net assets with donor restrictions* - Net Assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the fair value of investments, endowments, and beneficial interests, valuation of contributed non-financial assets and the allocation of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions, short-term certificates of deposit, and money market mutual fund accounts. HVA considers all short-term debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

Financial instruments which potentially subject HVA to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally-insured limits. From time to time throughout the years ended December 31, 2024 and 2023, HVA's cash balance may have exceeded the federally insured limit. However, HVA has not experienced and does not expect to incur any losses in such accounts.

Grants Receivable

Grants receivable represent grant revenues that have been billed but not collected as of the date of the accompanying financial statements. HVA provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance when, in management's estimation, it is probable that the receivable is not collectible. Based on management's analysis, an allowance for expected uncollectible amounts was not deemed necessary at December 31, 2024 and 2023.

Property and Equipment

Property and equipment with an acquisition cost or donated value of \$1,000 or more and a useful life of more than one year are capitalized. Purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded at their estimated fair market value. Property acquired with governmental funds is considered to be owned by HVA while used in the program for which it was purchased or in the future authorized programs; however, its disposition as well as the ownership of any proceeds therefrom is subject to applicable regulations.

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment - Continued

Depreciation is computed using the straight-line method over the following estimated useful lives of the related assets:

	<u>Years</u>
Buildings and improvements	5 - 40
Vehicles	5 - 15
Furnishings	5
Equipment	3 - 10

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their estimated fair values in the statement of financial position. Cash designated for long-term purposes is included in investments. Investment income or loss is reported in the statements of activities and consists of interest and dividend income and realized and unrealized gains and losses. Investment fees are included as a component of investment income, net, within the statements of activities.

Fair Value Measurements

HVA defines fair value in accordance with US GAAP, which specifies a hierarchy of valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and lowest priority to measurements involving significant unobservable inputs (Level 3). The Organization measures certain assets at fair value on a recurring basis. The three levels of the fair value hierarchy are as follows:

Level 1 : Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Organization.

Level 2: Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3: Unobservable inputs based on the Organization's own judgement as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

During the years ended December 31, 2024 and 2023, there were no changes to the Organization's valuation techniques.

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition

Grants and Contributions

HVA reports grants and contributions that are restricted by the donor as increases in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Donor restrictions that are satisfied within the year of contribution are shown as unrestricted increases in net assets without donor restrictions.

Certain grants, including cost reimbursement contracts, are considered conditional contributions since the grant agreements require HVA to perform services, incur expenses or meet contract objectives to earn the grant funding. Revenue under these contracts is deferred until earned. Revenue is earned and recognized in the financial statements when eligible expenses are incurred, services performed, or grant objectives met.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Unconditional promises to give are evaluated on a regular basis and management establishes the allowance as necessary. As of December 31, 2024 and 2023, management determined no allowance was necessary. There was no bad debt expense for the year ended December 31, 2024 and 2023, respectively.

Donated Services and Materials

The value of food donated to the HVA Food Bank and food distributed under the USDA Food Programs are recorded as contributions at their estimated values at the date of receipt. Volunteers provide valuable services throughout HVA including assisting with general office work, sorting and distributing food, remodeling apartments, assisting with group sessions, and childcare. HVA does not record the value of these volunteer hours in the financial statements because the tasks performed do not require professional skills. Nevertheless, volunteers play an indispensable role in the operation of all programs.

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$41,778 and \$3,685 for the years ended December 31, 2024 and 2023, respectively.

Income Tax Status

HVA is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded. However, income from certain activities not directly related to HVA's tax-exempt purpose is subject to taxation as unrelated business income.

HVA accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. HVA has identified its tax status as a tax-exempt entity as its only significant tax position; however, HVA has determined that such tax position does not result in an uncertainty requiring recognition. HVA is not currently under examination by any taxing jurisdiction. HVA's federal returns are generally open for examination for three years following the date filed.

Statement of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided. Administrative and other support expenses are allocated to the various programs based on a formula established by management to reflect the relative benefit.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. Recoverability of the long-lived asset is measured by comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. There were no indications of impairment during the years ended December 31, 2024 and 2023.

HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available to meet general expenditures within one year at December 31:

	2024	2023
Financial Assets:		
Cash and cash equivalents	\$ 352,497	\$ 311,737
Grants receivable	390,975	150,962
Unconditional promises to give - current	-	10,000
Investments	<u>279,686</u>	<u>309,047</u>
 Total financial assets	 1,023,158	 781,746
 Less amounts not available to be used within one year:		
Net assets with donor restrictions		
Internal endowment funds (Neumann)	164,892	147,044
Various use restrictions	<u>63,645</u>	<u>36,406</u>
 	 228,537	 183,450
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 794,621</u>	 <u>\$ 598,296</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As described in **Note J**, the Organization has a \$600,000 line-of-credit available for use in meeting financial obligations.

NOTE D - UNCONDITIONAL PROMISES TO GIVE

At December 31, 2024 and 2023, unconditional promises to give totaled \$-0- and \$10,000, respectively.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2024	2023
Land	\$ 489,242	\$ 489,242
Buildings and improvements	7,868,941	7,913,780
Vehicles	376,212	376,212
Furnishings	51,218	113,459
Equipment	<u>253,978</u>	<u>381,620</u>
 Less accumulated depreciation	 <u>(5,138,714)</u>	 <u>(5,251,525)</u>
 	 <u>\$ 3,900,877</u>	 <u>\$ 4,022,788</u>

HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE F - INVESTMENTS

HVA's investments, which include the internally controlled endowment assets, consist of the following at December 31:

	2024		2023	
	Cost	Market	Cost	Market
Mutual funds	\$ 153,096	\$ 153,096	\$ 164,320	\$ 164,320
Equities	<u>107,611</u>	<u>126,590</u>	<u>132,921</u>	<u>144,727</u>
Total	<u>\$ 260,707</u>	<u>\$ 279,686</u>	<u>\$ 297,241</u>	<u>\$ 309,047</u>

The following schedule summarizes investment return on the above investments for the year ended December 31:

	2024	2023
Dividends and interest, net of fees	\$ 2,572	\$ 14,743
Realized gain (loss) on investments	16,732	(9,131)
Unrealized gain on investments	<u>12,090</u>	<u>24,810</u>
 Total investment return	 <u>\$ 31,394</u>	 <u>\$ 30,422</u>

NOTE G - ENDOWMENTS

Externally Controlled Endowment

HVA is an income beneficiary in a perpetual trust held by a third party. HVA's beneficial interest in this perpetual trust is measured based on the fair market value of the trust assets. The change in the fair market value of the trust assets is reported as gains and losses with donor restrictions on the statement of activities. Income distributions from the trust are reported in contributions without donor restrictions.

Internally Controlled Endowment

The internally controlled endowment (Neumann) consists of \$100,000 to be held in perpetuity. Interest and dividend earnings are to be used solely for the benefit of the HVA Grace House program at management's discretion. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

HVA classifies as donor restricted net assets (a) the original value of gifts donated to the endowment that does not exceed \$100,000 dollars, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE G - ENDOWMENTS - CONTINUED

Internally Controlled Endowment - Continued

For endowment funds, the donors have stipulated that additional accumulation of funds above and beyond the permanent endowment are unrestricted to the HVA Grace House and are therefore classified as donor restricted for use purposes.

The internally controlled endowment's investment policy is based on providing funding for the HVA Grace House program operations. Domestic equities (including all convertible securities) may represent up to 65% of the account's market value, while international equities may comprise but not exceed 30% of the value. Domestic fixed income securities (including preferred stocks) are not to exceed 70% of the accounts market value. Cash equivalents (including all senior debt securities with under two-year maturity) may be held to maximum of 100% of the account's market value.

Equity holdings must represent companies meeting a minimum capitalization requirement of \$100,000,000 dollars with high market liquidity. Private placements, letter stocks, option securities, short sales, and margin transactions are prohibited. No single equity may comprise 5% or more of the total account value and equities cannot be more than 20% invested in a single industry.

Fixed income holdings with a greater than 30-year maturity are prohibited. No single fixed income holding may comprise 5% or more of the total account value. Bond ratings must be BBB or better and Advisors are prohibited from investing in private placements, and from speculating in fixed income or interest rate futures.

The Board of Directors of HVA has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, HVA classifies as donor restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanent donor restricted net assets is classified as donor restricted net assets for use purposes until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

Any amount not appropriated for expenditure will be reclassified, subject to the original endowment restrictions imposed by the donor. In accordance with FUPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. the duration and preservation of the fund;
2. the purposes of the organization and the donor-restricted endowment fund;
3. general economic conditions;
4. the possible effect of inflation and deflation;
5. the expected total return from income and the appreciation of investments;
6. other resources of the organization;
7. the investment policies of the organization.

HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE G - ENDOWMENTS - CONTINUED

Endowments - General

The externally controlled endowment and beneficial interest held by third-party (**NOTE H**) are invested according to third-party decisions; HVA has no control over the investment policies.

Endowment net asset composition by type of fund consist of the following:

December 31, 2024	Donor Restricted For Use	Donor Restricted in Perpetuity	Total
Donor restricted endowment funds			
Internally controlled, Neumann	\$ 64,891	\$ 100,000	\$ 164,891
Externally controlled, Carlson Trust	-	421,496	421,496
Beneficial interest in assets held by a third-party	<u>233,790</u>	<u>107,157</u>	<u>340,947</u>
	<u><u>\$ 298,681</u></u>	<u><u>\$ 628,653</u></u>	<u><u>\$ 927,334</u></u>

Endowment net asset composition by type of fund consist of the following:

December 31, 2023	Donor Restricted For Use	Donor Restricted in Perpetuity	Total
Donor restricted endowment funds			
Internally controlled, Neumann	\$ 47,044	\$ 100,000	\$ 147,044
Externally controlled, Carlson Trust	-	399,760	399,760
Beneficial interest in assets held by a third-party	<u>207,632</u>	<u>107,157</u>	<u>314,789</u>
	<u><u>\$ 254,676</u></u>	<u><u>\$ 606,917</u></u>	<u><u>\$ 861,593</u></u>

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE G - ENDOWMENTS - CONTINUED

Endowments – General - Continued

Changes in endowment net assets for the year ended December 31 include:

December 31, 2024	Donor Restricted For Use	Donor Restricted in Perpetuity	Total
Endowments, beginning of year	\$ 254,675	\$ 606,917	\$ 861,592
Donations	-	-	-
Disbursements	-	-	-
Investment return:			
Investment income (net of fees)	8,216	-	8,216
Net appreciation (realized and unrealized)	<u>35,790</u>	<u>21,736</u>	<u>57,526</u>
Endowments, end of year	<u>298,681</u>	<u>628,653</u>	<u>927,334</u>
December 31, 2023	Donor Restricted For Use	Donor Restricted in Perpetuity	Total
Endowments, beginning of year	\$ 208,430	\$ 576,690	\$ 785,120
Donations	-	1,000	1,000
Disbursements	-	-	-
Investment return:			
Investment income (net of fees)	3,395	-	3,395
Net appreciation (realized and unrealized)	<u>42,851</u>	<u>29,227</u>	<u>72,078</u>
Endowments, end of year	<u>\$ 254,676</u>	<u>\$ 606,917</u>	<u>\$ 861,593</u>

NOTE H - BENEFICIAL INTEREST IN ASSETS HELD BY A THIRD PARTY

On September 24, 2007, HVA entered into an agreement with Community Foundation of Tampa Bay (Community Foundation) establishing The Religious Community Services Gift of Food Endowment Fund (the Fund). The Fund was established with the purpose of providing HVA an annual distribution from the income of the Fund and to preserve the Fund's principal. The assets of the Fund will be in the possession of Community Foundation and will be invested at the discretion of Community Foundation. Contributions will be received through gifts or bequests from individuals, corporations, and other charitable organizations. The terms of the fund agreement permit HVA, in certain circumstances and subject to certain limitations, to request a return of some or all of the assets contributed to the Fund by HVA. A request of return of funds will be considered by Community Foundation only for unforeseeable emergencies (e.g., fires, storms, major structural defects to building, etc.) and capital expenditure requirements as a result of unforeseeable emergencies and only following the one-year anniversary of the Fund's existence. In addition, a request of return of funds is permitted only if the Fund has a balance of at least \$100,000.

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE H - BENEFICIAL INTEREST IN ASSETS HELD BY A THIRD PARTY - CONTINUED

The Fund is held and invested by the Community Foundation for the Organization's benefit and is reported at fair value in the accompanying statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

NOTE I - FAIR VALUE MEASUREMENT

The investments of HVA are reported at fair value in the accompanying statements of financial position. Following is a description of the valuation methodologies used for investments measured at fair value.

Mutual funds and equities - Valued at the quoted market price reported on the applicable exchange on which the fund is traded.

Externally controlled endowment and beneficial interest in assets held by a third-party - The investments are managed by the third parties and are valued based upon the third-party information without adjustment. HVA does not develop nor are they provided with the quantitative inputs used to develop the fair market values.

The following is a summary of the levels within the fair value hierarchy for HVA's assets measured at fair value on a recurring basis as of December 31, 2024:

Description:	Assets Measured at Fair Value	Fair Value Measurements Using			
		Quoted Prices			
		In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
		Level 1	Level 2	Level 3	
Investments:					
Mutual funds	\$ 153,096	\$ 153,096	\$ -	\$ -	
Equities	126,590	126,590	-	-	
Externally controlled endowment	421,496	-	-	421,496	
Beneficial interest in assets held by a third-party	340,947	-	-	340,947	
Total assets at fair value	<u>\$ 1,042,129</u>	<u>\$ 279,686</u>	<u>\$ -</u>	<u>\$ 762,443</u>	

HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE I - FAIR VALUE MEASUREMENT - CONTINUED

The following is a summary of the levels within the fair value hierarchy for HVA's assets measured at fair value on a recurring basis as of December 31, 2023:

Description:	Assets Measured at Fair Value	Fair Value Measurements Using			
		Quoted Prices			
		In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	
Investments:					
Mutual funds	\$ 164,320	\$ 164,320	\$ -	\$ -	
Equities	144,727	144,727	-	-	
Externally controlled endowment	399,760	-	-	399,760	
Beneficial interest in assets held by a third-party	314,789	-	-	314,789	
Total assets at fair value	<u>\$ 1,023,596</u>	<u>\$ 309,047</u>	<u>\$ -</u>	<u>\$ 714,549</u>	

The following is a reconciliation of HVA's Level 3 investments:

	2024	2023
Balance at beginning of the year	\$ 714,549	\$ 648,263
Investment income	7,173	5,338
Net appreciation (realized/unrealized)	43,204	62,144
Contributions	-	1,000
Investment fees	<u>(2,483)</u>	<u>(2,196)</u>
	<u><u>\$ 762,443</u></u>	<u><u>\$ 714,549</u></u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. There were no transfers in 2024 and 2023.

NOTE J - LINE-OF-CREDIT AND SHORT-TERM NOTE

HVA has had previously had a \$500,000 line-of-credit with a bank secured by substantially all assets of HVA. The line-of-credit was closed in November 2023. The outstanding balance at closure was \$476,361 which was converted to a short-term loan bearing interest at 11% and secured by substantially all assets of HVA. The short-term loan was paid off during 2024.

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE J - LINE-OF-CREDIT AND SHORT-TERM NOTE - CONTINUED

HVA opened a \$600,000 revolving line-of-credit with a financial institution March 26, 2024. The line is secured by real property, assignment of all rent associated and fixtures associated with the property. The interest rate is variable and is based upon the Wall Street Journal U.S. Prime rate of interest Index. Borrowings under the line-of-credit bear interest at 7.50% at December 31, 2024 and are due on demand. The outstanding balance on the line-of-credit was \$492,977 at December 31, 2024. Approximately \$107,000 was available on the line-of-credit at December, 31, 2024.

NOTE K - CONTRIBUTED NONFINANCIAL ASSETS

The Organization receives donated food from USDA and Public Food. Donated food are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes contributed nonfinancial asset revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

For the years then ended December 31, 2024 and 2023, the Organization received in-kind contributions estimated as follows:

	Donated Food	Total	
		2024	2023
Food distribution and basic needs	\$ 10,200,793	\$ 10,200,793	\$ 9,427,058
	\$ 10,200,793	\$ 10,200,793	\$ 9,427,058

All donated food were utilized by the Organization's program services. There were no donor imposed restrictions associated with the donated services and assets. Donated food are valued using the national average rate per pound of food as estimated by management.

HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE L - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, consist of the following:

	2024	2023
Subject to use restrictions:		
Unconditional promises to give	\$ -	\$ 10,000
Beneficial interest in assets held by a third-party	233,790	207,632
Grace House - Neumann earnings	64,892	47,044
Various use restrictions	<u>63,645</u>	<u>36,406</u>
	362,327	301,082
Net assets held in perpetuity:		
Endowment funds (Neumann)	100,000	100,000
Beneficial interest in assets held by a third-party	107,157	107,157
Externally controlled endowment (Carlson)	421,496	399,760
Other	<u>1,000</u>	<u>1,000</u>
	629,653	607,917
	<u><u>\$ 991,980</u></u>	<u><u>\$ 908,999</u></u>

Included in various use restrictions are funds for use in the Food Distribution and Basic Needs and Abuse Services programs.

NOTE M - EMPLOYEE BENEFIT PLANS

HVA sponsors a 401(k) plan (the "Plan") for eligible employees. The Plan permits HVA's management to determine the matching rate annually. During the fiscal year then ended 2024, HVA matched employee contributions at the rate of \$0.50 per dollar of employee contributions up to 4% of each enrolled employee's salary. For the years ended December 31, 2024 and 2023, employer retirement matching contributions totaled \$-0- and \$5,958, respectively. In addition, contributions of \$6,396 were made for plan year 2024 using Plan assets and not funded by the Organization.

NOTE N - CONCENTRATIONS, COMMITMENTS AND CONTINGENCIES

Financial Instruments and Credit Risk

Credit risk associated with grants receivable and unconditional promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and foundations supportive of the mission.

Investments are made by investment managers whose performance is monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE N - CONCENTRATIONS, COMMITMENTS AND CONTINGENCIES - CONTINUED

Employee Retention Credit

In December 2022, the Organization filed for approximately \$99,000 in Employee Retention Credits (ERC). In June 2023, the Organization received approximately \$102,000 from the Internal Revenue Service (IRS) related to this filing. Following the receipt of updated IRS technical guidance on ERC eligibility, the Organization conducted an assessment and concluded that it met the eligibility requirements for the credits claimed. However, due to the ongoing complexity and evolving nature of the ERC program, including uncertainties in the interpretation of certain eligibility criteria and calculation methodologies, management determined that not all conditions for income recognition under GAAP had been met as of December 31, 2023. Accordingly, the ERC funds received were recorded as a liability within the statement of financial position as of December 31, 2023. As of December 31, 2024, the Organization completed its assessment and determined that the criteria for recognition had been met. As a result, the previously deferred amount of \$102,000 was recognized as other revenue in the statement of activities for the year ended December 31, 2024.

Concentration

At December 31, 2024 and 2023, four funders accounted for approximately 97% of total grants receivable and three funders accounted for approximately 83% of total grants receivable, respectively.

Commitments

HVA is subject to state and federal audit examination to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. It is the opinion of management that no grant expenditures will be disallowed. HVA is also subject to several federal matching requirements, which have been met through local grants and private donations.

HVA has entered into various land use restriction agreements in connection with grant funding received for acquisition and renovation of the Haven of HVA. Under these agreements, the Haven of HVA property must be maintained and used in accordance with the agreements for periods ranging from various dates, the latest expiring August 31, 2028.

HVA has entered into various land use restriction agreements in connection with grant funding received for the acquisition and renovation of the HVA Food Bank. Under these agreements, the HVA Food Bank property must be maintained and used in accordance with the agreements for periods ranging from various dates, the latest expiring March 8, 2026.

**HOPE VILLAGES OF AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE N - CONCENTRATIONS, COMMITMENTS AND CONTINGENCIES - CONTINUED

Commitments - Continued

HVA has certain commitments under various non-cancellable agreements. Future minimum required payments were as follows:

Years Ending September 30,	
2025	\$ 20,967
2026	13,512
2027	13,053
2028	9,675
	\$ 57,207

NOTE O - SUBSEQUENT EVENTS

HVA has evaluated all subsequent events through June 23, 2025, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosures in the financial statements.

OTHER INFORMATION

HOPE VILLAGES OF AMERICA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

Federal Agency Pass-Through Entity Federal Program or Cluster Title	FAS Number	Contract/ Pass-Through Entity Identifying Number	Expenditures	Sub-Recipients
FEDERAL AWARDS:				
United States Department of Agriculture <i>Passed through Feeding Tampa Bay</i>				
Food Distribution Cluster:				
Emergency Food Assistance Program (Administrative Costs)	10.568	N/A	\$ 293,410	\$ -
Emergency Food Assistance Program (Food Commodities)	10.569	N/A	<u>5,924,229</u>	<u>-</u>
			6,217,639	-
Department of Housing and Urban Development <i>Passed through City of Largo</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	16,460	-
Passed through City of Clearwater <i>Community Development Block Grants/Entitlement Grants</i>	14.218	N/A	<u>158,926</u>	<u>-</u>
			175,386	-
Department of Justice <i>Passed through Florida Department of Legal Affairs</i>				
<i>Office of the Attorney General</i>				
Crime Victim Assistance	16.575	VOCA-C-2023-Hope Villages of America, Inc.-00185	131,674	-
Crime Victim Assistance	16.575	VOCA-C-2024-Hope Villages of America, Inc.-00212	<u>58,445</u>	<u>-</u>
			190,119	-
<i>Passed through Pinellas County Board of County Commissioners</i>				
Office on Violence Against Women				
Justice Systems Response to Families	16.021	N/A	<u>16,364</u>	<u>-</u>
			206,483	-
Department of Health and Human Services <i>Passed through Florida Coalition Against Domestic Violence</i>				
Family Violence Prevention and Services/ Domestic Violence Shelter and Supportive Services	93.671	LN235	109,655	-
<i>Passed through Florida Coalition Against Domestic Violence</i>				
Family Violence Prevention and Services/ Domestic Violence Shelter and Supportive Services	93.671	LN300	72,988	-
Passed through Department of Children and Families				
Family Violence Prevention and Services/ Domestic Violence Shelter and Supportive Services	93.671	LN300	<u>29,429</u>	<u>-</u>
			212,072	-
<i>Passed through Florida Coalition Against Domestic Violence</i>				
Temporary Assistance for Needy Families	93.558	LN235	83,981	-
<i>Passed through Florida Coalition Against Domestic Violence</i>				
Temporary Assistance for Needy Families	93.558	LN300	<u>83,981</u>	<u>-</u>
			<u>167,962</u>	<u>-</u>
			<u>380,034</u>	<u>-</u>
Total expenditures of federal awards			\$ 6,979,542	\$ -

See notes to the schedule of expenditures of federal awards

HOPE VILLAGES OF AMERICA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Hope Villages of America, Inc. (HVA) under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Hope Villages of America, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Hope Villages of America, Inc.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Hope Villages of America, Inc. has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

SUBRECIPIENTS

The Organization did not provide federal funds to subrecipients for the year ended December 31, 2024.

No management letter is required because there were no findings required to be reported in the management letter.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Hope Villages of America, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hope Villages of America, Inc. (HVA), which comprise the statements of financial position as of December 31, 2024, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered HVA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HVA's internal control. Accordingly, we do not express an opinion on the effectiveness of HVA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

CONTINUED

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS –
CONTINUED**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether HVA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PDR CPAs + Advisors

Oldsmar, Florida
June 23, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE***

To the Board of Directors
Hope Villages of America, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hope Villages of America, Inc.'s (HVA) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of HVA's major federal programs for the year ended December 31, 2024. HVA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, HVA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of HVA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of HVA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to HVA's federal programs.

CONTINUED

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE -
CONTINUED**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on HVA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about HVA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Uniform Guidance*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding HVA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of HVA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of HVA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

CONTINUED

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE -
CONTINUED**

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PDR CPAs + Advisors

Oldsmar, Florida

June 23, 2025

HOPE VILLAGES OF AMERICA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
DECEMBER 31, 2024

Part I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued: _____ Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes no

Significant deficiency(ies) identified not considered to be material weakness(es)? _____ yes none reported

Noncompliance material to financial statements noted? _____ yes no

Federal Awards Section

Internal control over major federal programs:

Material weakness(es) identified? _____ yes no

Significant deficiency(ies) identified not considered to be material weakness(es)? _____ yes none reported

Type of auditor's report on compliance for major federal programs: _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR part 200.516(a) of the Uniform Guidance? _____ yes no

Identification of major federal programs:

Federal Programs:

CFDA Numbers	Name of Federal Program
10.568	Emergency Food Assistance Program (Administrative Costs)
10.569	Emergency Food Assistance Program (Food Commodities)

Dollar threshold used to distinguish between type A and type B Federal programs \$ 750,000

Auditee qualified as low-risk auditee for federal purposes? yes _____ no

HOPE VILLAGES OF AMERICA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
DECEMBER 31, 2024

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weakness, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no reportable findings.

Part III - Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weakness, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance.

There were no reportable findings.

Part IV - Summary Schedule of Prior Audit Findings

A Summary Schedule of Prior Audit Findings is not necessary since there were no prior year audit findings related to a major federal program.